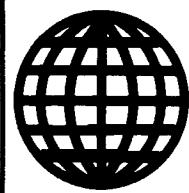


30 April 1993



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International Affairs

German Unions To Assist Palestinian Workers 93p50160A

[Editorial Report] Tel Aviv YEDI'OT AHARONOT in Hebrew of 15 April 1993 on page 33 reports that German workers' unions are planning to organize professional workers' unions in the territories with Histadrut participation. According to the article, German workers' unions are prepared to allocate funding, security services, and professional training. The article explains that the purpose of the program is not only to protect Palestinian workers from discrimination but also to lay the groundwork for a democratic government in the West Bank and Gaza Strip.

Regional Affairs

Turkish Model Precedent for Peace With Syria 93AE0450F Tel Aviv YEDI'T AHARONOT in Hebrew 21 Mar 93 p 19

[Commentary by Sali Meridor]

[Text] With the renewal of the diplomatic process, the question of the Golan will be reaching the top of the agenda. The public debate can be expected to focus on the vital importance of security and on aspirations for peace. Those who support our staying in the Golan will base their arguments on security and on the vital importance of the Golan for a stable peace. Those who support withdrawal will center on the importance of peace. We can expect them to argue that Israel's giving up the Golan is a necessary condition for a settlement with Syria, and that although peace is in Syria's interest, because of "Arab honor," al-Asad cannot agree to peace with Israel without receiving the Golan.

It may turn out that we will be witness to a dramatic meeting with al-Asad, meant to tip the scales, and influence Israeli public opinion toward acceptance of withdrawal. The most suitable place for this summit would be Alexandretta.

Alexandretta, on the Syrian-Turkish border, was part of the territory of mandatory Syria until, to the great dismay of the Syrians, France handed it over to Turkish rule. From that day to this, no Syrian regime has ever recognized Turkish sovereignty over Alexandretta, and both Arab and Syrian nationalism continue to see this region as Arab land. On modern maps of Syria, Alexandretta appears outside the border of Turkey, and the line dividing her and Syria is [dubbed] a "temporary border."

However, despite ideology, maps, and rhetoric, Syria actually has come to terms with Turkish rule over Alexandretta. Despite its being under Turkish sovereignty, Syria sustains diplomatic relations and complete normalization with Turkey. The Syrian interest in stable relations with Turkey, the great and powerful neighbor to her north, has lead Syria to forgive "Arab honor." In this case, it turns out amazingly, not honor, but interest, is the main thing.

Why should not the Golan, which has one-fifth the territory of Alexandretta, and which Syria lost due to her own aggression 26 years ago, be handled the same way as Alexandretta, taken from her 54 years ago? The Golan

Heights are not important to Syria in times of peace. They make up only about half a percent of Syria's territory, and do not have the economic resources to support a Syrian population of any real size. On the other hand, the Golan Heights are very important to Syria in times of tension and war. Israel's removal from the heights would allow her to intensify her subversive activities in Jordan, and her control over Lebanon, without having to worry about Israel's military positions.

If, in contrast to the precedent of the Alexandretta, Syria makes our departure from the Golan a condition for an agreement, what should Israel conclude from this? If Syrian interest in normal relations with Israel is not important enough, what does this mean for the future of relations with Syria after the Golan is handed over to her? If Syria's main motivation for signing the agreement is getting the Golan back, not basic interests, what will make the Syrians stick to the agreement once the Golan is in their hands?

It is precisely the Turkish example that can serve as a test of Damascus' true intentions. If Syria's vital interests at home and in the Arab world, and her need to face Israel and the United States, require peace with Israel, we may hope that her leaders will reveal at least the same degree of flexibility that they do toward Turkish rule over Alexandretta. In this way, the Golan will remain in our hands; Israel will not retreat to a border likely to serve as a temptation to start another war; and the stability of the peace will be assured for the long run. But, if the Syrians make receiving the Golan a condition, this must make every Israeli examine whether the agreement being offered is not just covering up the threat of another war.

(The author heads the Jewish Agency's settlement division, and until recently was chief military representative at the peace talks.)

Internal Affairs

Netanyahu's 'Activist' Views Explained 93AA0026A Tel Aviv YEDI'OT AHARONOT in Hebrew 28 Mar 93 p 19

[Commentary by Aharon Papo]

[Text] Following Benjamin Netanyahu's sweeping victory in the primaries, a major ideological shakeup is expected in the Likud, as well as a reorganization needed to realize the victory at the ballot box. This can be seen in the nitty-gritty speech that he delivered at Kafra Maccabee.

Netanyahu explicitly is not Dan Meridor or Benny Begin—he represents the nationalist-activist line of Ze'ev Jabotinsky in its pure form. From his comments on raising an iron Jewish wall against Arab designs on the Zionist enterprise, it is apparent that he has not been influenced by the schools of thought and drafts of leftist-liberal air blowing from MAPAM [United Workers Party] and MERETZ [joint MAPAM, Citizens Rights Movement, and Shinuy] towards the Likud's princes. He was not a party to the legalistic approach of Dan Meridor, characterizing Arab terror as the criminal acts of isolated individuals. He did not take part in Meridor's and Begin's celebrations of "civil rights," which supported bringing to trial officers and soldiers charged at the start of the intifadah and

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opposed enactment of legislation to pardon them. He is no "detester" of Gandhi [Rehavim Ze'evi] (to use Benny Begin's term) and, most important, does not worship autonomy and the Camp David accords, in which Menachem Begin, for the first time in the history of Zionism, recognized the Arabs' "national rights" to the land of Israel.

In short, Netanyahu is not Begin's heir. And even if he were, he is the spiritual heir of Jabotinsky and Abraham Stern, of David Ben-Gurion and Golda ("there is no Palestinian people") Me'ir. The strength of the Likud left during the primaries was measured at precisely 15 percent. The Likud public clearly voted for an entirely different domestic-political national line.

In his speech at Kfar Maccabee, Netanyahu said that the Jewish people has returned to sovereign independence so that it can actively resist its enemies and that this purpose has been thwarted by the left-leaning government since its creation eight months ago—a government that has retreated from the idea of resisting the Arab enemy and, accordingly, has caused an erosion of defensive power and a deterioration in internal security.

Previously, at a campaign rally at the Cinerama, Netanyahu promised to support imposition of the death penalty for terrorists in certain circumstances. Now he has called for unification of all the forces of the opposition. Netanyahu also has contended that there must be no withdrawal from the Golan Heights.

What these statements mean is that Netanyahu will attempt to strengthen ties to Tzomet, Moledet, the NRP [National Religious Party] and the rest of the religious opposition, hoping to forge a broad national front. He will invigorate the movement's activist line, and his call to oppose the government by both parliamentary and "other" means certainly indicates that he will also call for large street demonstrations against the government's passivity in the war on terror.

In the party arena, he will undoubtedly make overtures to Sharon. Massive desertions from David Levy's voters for the winner can also be expected. Netanyahu's political line is acceptable to the range of those who voted for Levy, and it is questionable whether all of them will remain loyal to the loser in the elections.

Peace Process Favors Labor Government Prospects

93AE0450B Tel Aviv YEDI'OT AHARONOT in Hebrew
30 Mar 93 p 19

[Commentary by Avraham Tamir]

[Text] The Likud preliminary elections were impressive in both scope and results. They testify to a process of rehabilitation that threatens to cut short the rule of the Rabin government, whose prospects have weakened as a result of the growing gap between its promises and its actions.

But, instead of working to assure the government's future with a breakthrough to peace and by strengthening national defense, the government ministers choose to "prattle on" about Bibi Netanyahu's shallowness, as a guarantee to keep them in power. On this level, too, they can expect surprises.

Let us not delude ourselves that we are on the verge of a breakthrough to peace with Syria, as the government claims. Even if the United States convinces al-Asad to declare that he is ready for true peace in all its senses, in return for Israel's retreat in stages from all of the Golan, we can assume that the prime minister will not want (because of his principles), or will not be able (because of the fragility of his coalition) to change his position: withdrawal "within the Golan," not "from the Golan," in return for peace.

Therefore, we should not discount the possibility that the United States will turn to the spectrum of possibilities that can bring about an interim political, security, and territorial agreement, when they take into account that al-Asad, who opposes a stand-alone interim agreement today, would agree to accept it in return for economic aid, and diplomatic and strategic ties to the United States.

While negotiations with Syria are likely to be drawn out, it will be possible to achieve a breakthrough to peace with the Palestinians in 1993, by means of a five-year interim autonomy agreement.

The Israeli Government has the Arab addresses for an autonomy agreement, and they are: the delegation from the territories, which represents the PLO today in the autonomy negotiations; the autonomy council that will be chosen in the territories and work, with the PLO's backing, to carry out the autonomy agreement; the Jordanian Government, which will cooperate with Israel and the autonomy council to prepare the ground for a permanent status acceptable to Israel, Jordan, and the Palestinians.

What these addressees need is an autonomy plan that will help to develop peaceful relations between peoples, not something that will be a cover-up for one people's ambition to rule over the other. An autonomy like this can be achieved in 1993 without undermining Israel's security, or affecting the permanent status of the territories still under dispute.

And if the question is national security, it is important to emphasize that in times so difficult for security, it is vital that full-time defense and police ministers be appointed. People suitable for these positions can be found outside the walls of the government, too.

Living Conditions of Deportees Updated

93AA0026C Tel Aviv YEDI'OT AHARONOT in Hebrew
1 Apr 93 p 23

[Article by 'Amos Regev]

[Text] "The tent flap suddenly was flung back. A deportee, dressed in a red track suit, crawled outside with a transistor radio pressed to his ear. 'They shot two policemen—two Israelis killed!' shouted the deportee, but was it excitement, happiness or despair?"

So began a description of the deportee camp in Lebanon as reported in an article published yesterday in the London newspaper THE INDEPENDENT. The author, Robert Fisk, went to the tent camp in south Lebanon to see what was happening to the deportees more than 100 days after their expulsion, and in light of the wave of terror in Israel.

"They said that our expulsion would reduce violence," the deportee went on. "But look at what they got—more resistance than ever."

Word of the murder of the policemen spread quickly among the 396 deportees living in the camp. More news: Israel has closed the Gaza Strip and the West Bank; Palestinian youths wounded by Israeli soldiers in Gaza. Excitement runs high, "as if the West Bank were next door, just beyond the next hill."

From their positions on the Golan Heights wet with melting snow, IDF [Israel Defense Forces] troops can look down on the deportee camp, says Robert Fisk. But it isn't exactly the same camp of tents pitched among the bleak rocks blanketed with snow that was photographed and made famous around the world.

The camp's locale, Marj el-Zohar (which translates as Field of Flowers), is earning its name just now. Swathes of purple and yellow flowers carpet the entire region and the dark blue waters of the Hatzbani River course through their stony channel. Spring has come, even to the deportee camp.

At the moment, they are not cut off from the outside world. They have three cellular phones with international lines, so each of them can ring up his family on the West Bank or in the Gaza Strip.

They also have food. Each day, Abu-Ashraf, a local Lebanese from Kaff Lubiya, arrives with his horse bearing meat and fresh vegetables.

They pay him in dollars or Lebanese pounds; the money comes from the PLO or local Hizballah men. The bearded Abu-Ashraf does not turn up his nose at any coin. He takes down the deportees' orders and returns the next day with the requested items.

"When all this is over and they let us go home," says one of the deportees, "Abu-Ashraf will be the richest man in south Lebanon."

According to Fisk, however, something has happened in the deportee camp. A split has arisen "to the delight of the Israelis." The split comes against the background of the uncertainty of the future. The most common rumor in the camp is that the Arab states intend to betray the deportees; in the end, all of them will attend the peace talks in Washington on 20 April.

There is a new rumor that appears to be reliable: all the deportees will be invited to leave Lebanon within a month, so the rumor goes, to make the "hajj" pilgrimage to Mecca, Saudi Arabia, expenses to be paid by the Saudis.

And this is the rumor currently dividing the deportees. Should they accept the Saudi proposal—if it turns out to be real—and leave the camp for an unlimited period of time?

It is clear to all that the pilgrimage to Mecca would pull chestnuts from the fire for both Israel and Lebanon. The camp would be emptied; the deportees would spend a long time in Saudi Arabia, far from the eye of the world media; and they would cease to be a burning and nettlesome problem, at least for a while.

"Personally, I don't care," Dr. Abdalla el-Awisi says wearily. "I've never made the hajj, which starts in a month.

But it's clear that if we accept the offer, they'll divert us from our path. We'll no longer be a subject of discussion among all the sides, or between the Americans and the Saudis. King Fahd, after all, is a friend of the Americans."

Removal of the obstacle that the deportees present, writes THE INDEPENDENT, now is a matter that concerns all interested parties, Arabs and Israelis alike. Syria, Jordan, Lebanon, and the Palestinians now regret their hasty announcement to boycott the peace talks until the deportees are sent home.

Syrian President Hafiz al-Asad sees before him return of the Golan Heights, which he regards as the most important goal on his list, far ahead of the deportees. The Palestinians themselves would now be satisfied with an Israeli promise not to impose expulsions in the future.

About 50 of the deportees living in the camp, members of "Islamic Jihad," vehemently oppose the idea of making a pilgrimage to Mecca, assuming that the offer turns out to be genuine. Shaykh Abdalla Shami, the group's spokesman, swore again that he and his comrades would leave the camp—only to return home, not to go anywhere else.

Shaykh Shami has no love for the Saudis, nor for the Egyptians, whom he denounces for their repressive measures against Muslims in Egypt.

The radicals' position, however, annoys the rest of the deportees, who are ready to set out for Saudi Arabia if and when the invitation arrives. And against this background, says the British reporter, "is occurring that most painful of social phenomena: schism."

The two sides are quarreling between them over the question of which of them is authorized to represent the camp in news releases to the media. Hizballah opposes attacks on Egypt; Egyptian aid to the deportees has been gratefully accepted until now by Abdul-Aziz Rantisi, Hamas' spokesman in the camp. The radicals stand against him. He argues that the deportees do not need to get involved in a dispute with the Arab states.

The split is sharp; the deportees are divided among themselves. In the meantime, however, none of them is leaving the camp. They remain in the tent camp, in spring weather, glued to their transistor radios—and follow, from a distance, what is happening in the territories from which they were expelled and in the country that expelled them.

Territories Closure Said To Redivide Jerusalem 93AA0027A Tel Aviv HA'ARETZ in Hebrew 4 Apr 93 p B2

[Article by Dany Rubinstein: "We'll Be Right Back"]

[Text] From a political viewpoint, the quarantine on the territories does not frighten the Palestinians. "We are for separation between the territories and the State of Israel, but according to an agreement and not as a punishment," said Feysal Huseyni and Hanan Ashrawi during the weekend. At least in the Jerusalem region, it became clear than a quarantine is impossible. A few vehicles with license plates of the territories were seen in Jerusalem. Policemen and soldiers placed roadblocks on the major arteries that prevented the entry of automobiles from the

West Bank, but both on Derekh Beyt Lehem and on the Beyt Hanina road, automobiles stopped several tens of meters in front of the roadblocks and their passengers got out and circumvented the roadblock on foot, and Arab taxis with Israeli license plates picked them up there.

A man and a woman arrived by taxi from Hebron at the roadblock near Rahel's Tomb. They have been married 28 years, the husband has a Hebron identity card and the woman has a Jerusalem (Israeli) card, and they live alternately in Silwan in Jerusalem and in the Tewfah neighborhood in Hebron. The policemen examined their documents again and again, and after lengthy arguments allowed only the woman to pass. The husband went back several meters on foot, entered the yard of a nearby house, circumvented the Tantur church complex on foot, and at the Gilo intersection got into the taxi in which his wife awaited him, and together they continued on to Jerusalem.

A few minutes later, a Bethlehem resident with a West Bank identity card, who is also a resident of Honduras and carries a passport from that country, arrived at the road-block. The policemen consulted each other, and finally allowed him to pass. After him came a young man from Beyt Jalla, who held an airplane ticket to Germany. He had to get to the Ben-Gurion airport. A policeman examined the ticket, found someone who translated what appeared on it into Hebrew, and the young man passed.

A woman who showed an appointment for an examination in Hadassah Hospital did not pass. Two students from the Islamic College in Hebron, who sought to reach their homes in Tulkarem, also did not pass.

A truck driver from Beyt Sahur causes great difficulty. He works in a construction company in Tel Aviv. He himself carries a West Bank identity card, but the truck has Israeli license plates. The truck may pass, but the driver may not. What is to be done? The driver went to make a telephone call to Tel Aviv. The owner of the company, who is a senior officer in the reserves, says that he will take care of the matter quickly.

Almost all of those who pass through the roadblock are settlers from Gush Etzion and Kiryat Arba. A special market developed at the roadside. Vehicles from the territories, which are not allowed to enter Israel, discharge merchandise and transfer it to Israeli automobiles. Tens of Arab subcontractors of Israeli companies, who manufacture on order shoes, furniture, and clothing, operate in the Hebron region, as in other regions in the territories. In general, the Arabs bring the merchandise to the Israeli companies, whose drivers are afraid of travelling to Hebron. Now the merchandise is transferred near the roadblock. The owner of an Israeli pick-up truck says that this is a new livelihood. Since the quarantine became known, he comes every morning to the roadblock and gets jobs transporting goods throughout the country.

An Arab journalist from Bethlehem, who circumvented the roadblock on foot, said that it is a political, not a security roadblock, and whoever wants to do so can pass, but in the area of the garages of nearby Talpi'ot, it is evident that most of the workers from the territories did not wise up and did not look for ways around, and instead stayed in their homes. A few garages were closed. In others,

there was clearly no work; the workers had not arrived. The building sites in the area of Malha, west of Talpi'ot, also appeared desolate.

In the broad region between Mount Hebron and Ramallah the quarantine will not endure more than a few days. In this area live about half a million residents (including Jerusalem), that is, about half of the residents of the West Bank, and this population has no alternative to the institutions and services that operate in Jerusalem. According to data collected by Taamar Isaawi, one of the advisers of the Palestinian delegation, about 100,000 Arabs from the West Bank enter East Jerusalem every day, whether for work and services or in order to go from the subdistricts of Samaria to areas of Bethlehem and Hebron. Students from Ramallah, for example, cannot reach the Catholic College of Bethlehem where they study, because their route goes through Jerusalem. Merchants, laborers, teachers, and others, who live in the large rural subdistricts around the city, must go through East Jerusalem, which was annexed to Israel, on their way to work.

According to the journalist Sam'a'an Houri, in East Jerusalem 28 private schools with tens of thousands of pupils operate there, and half of them have West Bank cards. In addition, 1,250 teachers who teach in the schools of East Jerusalem are West Bank residents.

The physician Dr. Muhammed Jedallah says that three large hospitals operate in East Jerusalem for which there is no alternative in the territory of the military government in the West Bank: Augusta Victoria Hospital on Mt. Scopus, which is the only one that provides treatment for a nominal fee to hundreds of thousands of holders of refugee certificates, Al Mak'asad Hospital, which is the only Arab hospital that uses sophisticated medical equipment, and St. George Hospital in Sheikh Jarrah, which is the only one in the territories that treats eye diseases.

East Jerusalem is also the only cultural center for the Arabs of the territories, and the editorial offices of the Arab newspapers also are located there. There is also no substitute for the prayers at Al-Aktza, nor for the foreign consulates, which serve the residents of the West Bank who travel abroad or who have economic ties abroad.

The Israeli administration knows this, of course. For that reason, officers in the subdistricts were empowered to issue special authorizations. Some tens of doctors and technicians from the Al-Mak'asad Hospital came to the headquarters of the administration in Bet El at the beginning of the quarantine and requested permits to enter East Jerusalem. When the examination of their requests began, one at a time, the computer of the administration went down and they had to wait several hours.

There are tens of ways to approach East Jerusalem from the east, the north, and the south. Thousands of soldiers and policemen are necessary to watch over all of them. Meanwhile, only the main roads were closed and a few of the side roads. Whoever did not succeed in convincing the soldiers and policemen at one roadblock, tried at another roadblock, and sometimes succeeded. On Thursday, two Arab employees at a restaurant on Yaffo Street related that they had come that morning from Abu Dis by bus. None of the passengers had a permit, and they were willing to take the chance of imprisonment and a fine if they were caught.

But the police patrols in the eastern and western parts of the city carried out almost no checks. Had they snooped after everyone they would have caught thousands who had entered without permits. Besides them, there are also thousands of holders of West Bank documents, who have lived permanently for years in East Jerusalem.

It is clear to everyone that the separation between Israel and the territories can last only a short time. In East Jerusalem it is impossible, unless they divide the city again and place a border between the Jewish neighborhoods and the Arab neighborhoods. Huseyni sees in the quarantine an attempt by the Israeli administration to hurt the Palestinian population because it does not succeed in ruling over it.

PLO activists in the West Bank and in Jerusalem discussed at the weekend a proposal to call on the masses of the residents of the West Bank to come to East Jerusalem and violate the quarantine order. It is very likely that by the time they do that, the quarantine will be removed.

Commentary Calls For Coalition Government
93AE0450E Tel Aviv YEDIT AHARONOT in Hebrew
24 Mar 93 p 21

[Commentary by Sever Plotzquer]

[Text] As this has been my opinion since the day the Knesset election results became known, I do not hesitate to repeat it today. Yes, we should create a joint Labor-Likud government now.

I do not mean a wall-to-wall "National Unity Government." That large, unwieldy institution would not be capable of ruling with efficiency and wisdom—and an efficient and wise national government is what we need these days, just as choking lungs need fresh air. A national unity government filled with ministers and opposing opinions would quickly become paralyzed by internecine quarrels and battles over political spoils. It would not be so with a limited government, in which ministers from Labor and the Likud would serve together. A joint government like this will be capable of being decisive and effective, and perhaps able to prevent the dangerous slide into political and security chaos.

I see it as a government of salvation.

The people, it seems to me, are waiting now for a dramatic move. The public is longing for a step that will make us feel that not everything is falling apart. But what step? Another expulsion? Blowing up another house? Passing out submachine guns and bullet-proof vests to kindergarten children? No. Quick fixes are not enough for us anymore. We, the public, want to feel that the affairs of state are under control. That means that we live in a state, not in a jungle.

The Israeli public needs a national anchor today, a calm and reasonable center of national power that can be relied on. The Rabin government alone does not provide us with this anchor; the Shamir government alone did not provide it, either. We want to believe that we have a government in Jerusalem that weighs all the possibilities, examines all the paths, and chooses the best. We want to believe that, but we cannot.

Frustration and fear give birth to monsters. Extremism raises its ugly head. It is a dripping poison; young people catch it fast. I do not want to live in a state where groups of armed citizens carry out death sentences in the city streets, and I do not want to live in a state where school children study behind barbed-wire fences and guard towers. I am sure that most of our citizens do not want this, either. They are normal people, but perplexed and confused normal people, sinking further and further into their despondency.

And just do not tell us again that there is no choice. There is a choice. Saying things like, "There is no choice," and "We have to get used to it," do not silence consciences or calm hysteria. It is impossible to get used to knifers murdering people on every street corner, and impossible to get used to soldiers killing a 10-year-old. The yellow light turned into a red one long ago, glaring and scorched.

"What is the point of all this?" ask the soldiers in Gaza, and their question still hangs in the air. We need a government that will be able to answer them.

Of course, the question of the political differences of opinion between the Likud and Labor, and vice versa, still remains. Is there an impassable ocean of political differences between these two parties? Can the differences be bridged? In my opinion, yes. Now, yes. A firm majority has developed in both movements for the pragmatic, middle-of-the-road camp, which is searching for realistic solutions. After the primaries, they will be able to agree on a political, security, and economic platform in a week, and then start to put it into practice, working in the name of the quiet majority of the unquiet people.

Give us a government that will defend our security, morality, and sanity. Before it is too late.

Terrorism Said To Change Peace Process Approach
93AE0450C Tel Aviv YEDIT AHARONOT in Hebrew
23 Mar 93 p 19

[Commentary by Yosi Olmert]

[Text] The historic friction between Jews and Arabs has left behind a long trail of myths and preconceptions that lead to mutual fear and hatred. The way of the world is that myths and beliefs like these survive the changes of the times well. Many Israeli Jews have become accustomed to seeing the Arabs through the blade of the imagined knife waiting to be stuck in their backs, for, as far as we can see, that is the Arab way.

In these days, when the No.1 hit among so many young Arabs is, "If only I had a knife," it has become hard to differentiate between myths and proven factual reality.

Too many Arabs are ready, just like that, to stick a knife into any Jew who passes by, for us to be able to solve this phenomenon with one of the cliches so well chewed over by politicians and pundits, and then go on with the peace process as though there were no terror.

The idea sounds nice, but it is just an empty shell, with nothing of any substance in it. There is no "as though" when so much blood has been spilled. The spilled blood begets fear and hatred, and when these exist with such

great force, how can be a peace process, which from its nature is based on the attempt to create mutual trust? Instead of the peace talks weakening the strength of the myths and preconceptions, reality is just strengthening them.

This paradox must be brought to an end. The government needs to understand that the slogan it keeps repeating is bringing it no internal political dividends, and is causing external damage.

Widening segments of the Israeli public see the knifings as the deepest and most authentic expression of the basic Arab hostility toward us, and therefore, see the very existence of peace talks at a time like this as a sign of weakness, and something divorced from reality. Among the Palestinians, too, these talks seem no more than a mirage.

If only courageous Palestinian leaders would arise in the territories and take a stand openly against the present wave of knifings, it would be possible to try to make that distinction so many of us favor so much, between Palestinian moderates and Palestinian extremists. But no one has taken such a stand, perhaps because the Palestinian leaders themselves also fear the long arm of terror.

If these are the facts, we will not only do ourselves a service, but also the Palestinian leadership, if we put off renewal of the peace talks with the Palestinian delegation at our own initiative, and concentrate for the time being only on the task of considerably cutting down the terror. The Palestinians will certainly condemn us publicly, but they will bless us privately.

When we have reduced terror significantly, it will be easy to renew the peace talks from a starting point more comfortable for both us and the Palestinians. Even then, the prejudices, the hatreds and fears that have burst out anew—not without foundation—will not disappear. But at least, we will be able to offer them an alternative based on hope and firm reality, not on unfounded dreams.

Black Panther Member on Methods, Goals

93WR0203 Tel Aviv YEDI'OT AHARONOT (Weekend Supplement) in Hebrew 2 Apr 93 pp 2-3, 23

[Interview with Black Panther member Usamah Silawi by Na'omi Levitzky in Janin Prison; date not given; first four paragraphs are YEDI'OT AHARONOT introduction]

[Text] This interview with Usamah Silawi was conducted in the deputy warden's office at Janin Prison. It is a plain room. A long table, like those used for working meetings, a stack of mementos and citations on the wall. That's it. Silawi was brought in from the General Intelligence Service's [GSS] investigatory machinery. After his trial, he will certainly receive the honor of placement in the security wing of the prison. He will be an honored prisoner there, even revered. He can expect a life term.

For Silawi, a dangerous man wanted as commander of the Black Panthers in the Janin region, is a murderer, one with blood on his hands. A lot of blood. He has at least three murders to his name and was involved in countless others. He personally murdered two Palestinians suspected of collaboration and is directly responsible for the murder of

Mordekhay Biton. Although Silawi did not personally take part in that attack, he planned the operation and sent out the men who performed it.

Into the room came a man who, had I met him under other circumstances, I would never have suspected of murder. Small and slim, he seems younger than his 21 years. His face still bears scars, the legacy of adolescence, that have not yet healed. The light down of a youthful black beard, still painful to the touch of a razor, has begun to sprout on his chin. He seems like a boy, this murderer.

Dressed in jeans, a blue T-shirt, a faux-leather jacket and sneakers without laces, he arrived accompanied by his GSS investigator. He agreed to be interviewed only in the presence of the investigator. He absolutely refused to be photographed. In nearly freezing cold, he described the process he went through from the time he was a brilliant student in the Janin school until he committed his first murder. His second murder was easier, he says. You get used to it.

[Levitzky] I get the impression that the group you belong to is particularly brutal and violent. You commit one murder after another, killing us in the streets. Murder for you has become a daily affair.

[Silawi] For us in the Palestinian community, violence is a reaction to violence. For myself, I never intended to hurt anyone, but circumstances forced me to engage in violence. That is our life in this situation, which makes us violent people.

[Levitzky] Look at what happens. Your comrades go around with knives and stab whoever falls into their hands. What kind of war is that?

[Silawi] Without a doubt, there is a reason for that, that a man walks on a street in Tel Aviv or some other place and stabs people. Maybe his brother was killed in the intifadah, or one of his relatives has been in prison for many years, or someone close to him was wounded and made a cripple. For one man, it's that his house was sealed, for another, that it was destroyed. These attacks on civilians, on women and children, are acts of revenge for something.

[Levitzky] What are you talking about? A Palestinian entered a school last week and stabbed students. Workers have cut down their employers. Does this look to you like the right way to struggle? Where is this leading the Palestinian people?

[Silawi] It's clear that this will not lead to peace. I, for example, have never murdered children or sent people to murder children. And it's unthinkable to me that anyone in my extended family who works in Israel would stab his employer. But the Palestinian people have a very distinctive way of thinking. From our point of view, every Jew is a soldier. Every Jew from a certain age on up, from the moment he is no longer a child, is a soldier.

If all of them are soldiers, then you deal with them as such. There is no military solution to terror. Only a political solution can solve this problem. The party responsible for the latest wave of knife attacks is Hamas. And Hamas has its demands. Its first demand is return of the deportees. I believe there would be less violence if the deportees came back.

[Levitzky] How would you act if you were an Israeli? Tell me the truth. How would you deal with this terror if you were in our place? You also seem to forget that the Hamas men were expelled in the wake of the kidnapping and murder of Nisim Toledano. In other words, the expulsions were themselves a reaction to Hamas terror.

[Silawi] The expulsion of 400 people at one time greatly affected people's feelings. Although I'm not in Hamas, I, as a wanted man, felt my heart with them. I know that the expulsions had a powerful effect on the wanted men of Hamas. It led them to step up the violence. For us in Fatah, it merely affected us emotionally.

But look. The evolution of violence between the Palestinian and Jewish peoples is a sort of game. Sometime the authorities put the screws on us, sometimes they let up the pressure. This is violence in stages. When the authorities put pressure on the population and the wanted men, that lasts for a period of time, but it also causes hostility among us, because the moment they ease things, it leads to an outbreak of terror.

[Levitzky] Perhaps those people in Israel who believe that your murderers and terrorists must get the death penalty are right. Would that deter you and stop you from acting?

[Silawi] No. That wouldn't stop us. For example, when I became a wanted man and carried a gun, I knew very well that I could be killed. But if there was capital punishment, I would behave differently if they caught me. If that happened, I wouldn't put my hands up and turn myself in. I would fight to the last bullet because I'm going to die anyway. Without the death penalty, there is hope for someone like me. Those who go out with knives to stab people don't care if they die. Anyone who goes out to stab is sure, anyway, that he won't come out of it alive.

If there was a death penalty, and someone thought about it in a rational way, maybe that would influence him. But most people who go out to do the stabbings don't think that way. Maybe there are some who would be affected by the death penalty, but if I were an Israeli, I would think about the causes that led someone to do such things—picking up a knife and stabbing someone—before I thought about imposing the death penalty.

[Levitzky] Don't make me laugh.

[Silawi] Look. So long as there are soldiers among Palestinians, there will be violence, and it won't stop. The presence of soldiers here, the constant friction between the army and the people, is what causes violence and is making it worse. We have a problem here. Every house on the West Bank has someone who was killed, wounded, expelled or imprisoned. This is really a big problem. When there is autonomy here, and no soldiers, the level of violence will go down.

[Levitzky] Do you support the peace process, do you want it to go on?

[Silawi] I am the first to want peace, but the two sides must both stop the violence. I propose that for three or four months, both your side and mine stop the violence. During that time, Palestinian and Israeli representatives will sit down again and talk peace. If there is progress, it will be possible to extend the truce.

Usamah Silawi was born in Janin 21 years ago under Israeli jurisdiction. He has known no other life. At school, he excelled especially, he says, in science, mathematics, physics and chemistry. He completed only 10 years of studies. The intifadah, he says, cut short his education.

He wanted to go on to higher education at a university in one of the Western countries. He wanted to study medicine, he says. I pointed out that doctors are supposed to save lives while he has become a murderer, someone who cuts lives short. He says that he knows this but that his life took a different turn at some point.

[Silawi] Two good friends of mine, they were like brothers, were killed the same day while throwing rocks during the intifadah. At 1630, on 2 October 1989. Border Patrol troops shot them. One was 21 and the other 17. I was standing by them. Another close friend, who was in the Black Panthers, met me and asked, "Usamah, why are you so sad?" I told him that I was looking for a way to work with the Black Panthers. That's how I joined up.

[Levitzky] Is there a screening process, do you have to pass a test to get in?

[Silawi] Each recruit goes through a period of one or two months of testing. During that time, the commander of the cell determines if you're fit for it. They collect information about you, see if you're serious, study your personal morality, whether you talk to girls, and go over whether you will be acceptable to the group, whether they like you. I was not yet an openly wanted man during that period. Later, they sent me to throw molotov cocktails.

In December, 1989, I threw my first molotov cocktail. It was at a military Peugeot. I was too far away to hit it. The next step was catching suspected collaborators. I got an order to get someone and bring him to a designated spot in Janin, where we took him to the woods for questioning.

[Levitzky] How were those interrogations conducted?

[Silawi] We conducted the investigations in woods in the mountains. We didn't have offices like at the GSS. We tied his hands behind his back or over his head and hung him from a branch on a tree. While he was hanging like that, we asked questions. We gave him the feeling that he was one of us, that he had just gone wrong and that if he confessed, he could repent and join the struggle.

Some of the suspects talked back. We burned them with cigarettes or cut them with knives. There is another way, too. You burn a plastic bag over them and the hot, melting plastic drips on them. I never conducted an interrogation like that. For me, those were just aberrations.

[Levitzky] And when the suspect confessed, and they always confess during such interrogations, did you then kill him?

[Silawi] There were three reasons for which the suspect had to die. Someone who caused the death of a wanted man, someone who sells land to Jews, and someone who has gotten arms from the authorities. The first time I saw an execution, it was a woman. She was 38 and suspected of collaboration and immoral acts. We thought that collaborators had recruited her.

Because she was a woman, we didn't tie her up or hang her. She confessed, then they gagged her with a strip of cloth and made her kneel down. Then one of the men executed her. He shot her three times in the head. It all happened so fast. That was the first time I saw how they killed someone. It was hard for me, but she deserved it.

[Levitzky] Then you got to the point of killing people yourself?

[Silawi] At the end of January 1990, someone was brought to me for investigation who had confessed to killing the wife of an intifadah activist wanted by the authorities. For four hours, five or six of us questioned him. My commander decided that we had to execute him, so he and I killed him. I used a knife and he clubbed him on the head with an ax. I carried out my second murder about two months later.

I was brought a boy suspected of laying an ambush and causing the death of another boy who had threatened collaborators. Three days he was interrogated, three days he hung with his hands behind him from a tree. We let him down only a few times so he could eat and drink. He confessed. I killed him with an axe, I hit him with it on the head.

By then, Usamah was already wanted by the highest authorities. He went to live in the mountains, slept by day and went about at night. He had a gun and learned how to evade the army. That he one had many close friends helped him avoid capture. Seventeen months ago, he married the sister of a friend, himself a wanted man. He now has a baby girl seven months old.

I asked him what the baby would do now without him. That was the only emotional moment for him in the entire conversation. He lowered his gaze, the muscles of his jaw began to quiver with tension and a film of tears covered his eyes. "A hard question," he said. A moment later, he pulled himself together and continued with his hair-raising description.

[Levitzky] Have you attacked Jews?

[Usamah] I personally have not, but I have given orders for attacks on Jews. I planned the attack in Janin (in which Mordekhay Biton was killed and his wife drew a gun and fired on the terrorists), and I supplied arms to the attackers.

[Usamah] My leader is Abu-'Amar ('Arafat). Our immediate superior is in the Fatah offices in Rabat-Amon. I won't give you any names. I gave them to the GSS. In June 1992 (when Labor ousted Likud in the elections) we received instructions from them to stop the attacks, but we didn't obey and kept them up.

[Levitzky] How were you caught?

[Usamah] I had been thinking of turning myself in at the time. I saw that I had no future in the path I had chosen. I was emotionally tired and physically lived from hand to mouth. People treated me with great respect and sympathy but there are few who are willing to help a wanted man. And there are degrees of help. Some will give you food, some will put you up for a night, others for more than a night. I lived in fear. Not of the army, I knew how to be careful of them, but of the GSS.

I was finally caught at home. For some time, the army hadn't gone to our house, so my father convinced me to come home to sleep one night in the house. I was already worn out from living as a wanted man, so I agreed. Then I saw that the army had surrounded the house. They phoned my father and told him it would be better if I gave myself up. I put down my gun, opened the door, and went out with my hands up.

[Levitzky] You were a hero when it came to defenseless people but surrendered the moment you had to face the army. It seems to me that you were relieved to be caught.

[Usamah] I had already made up my mind that if I were caught at home, and not just at my house, I wouldn't fight. I didn't want other people to get hurt. My father, and my sister and wife, too, urged me to give up. Right. It was a great relief to be caught. When I was outside, I always thought that I could die at any moment. Now I don't think about anything.

[Levitzky] You and people like you are causing the moderates among us Israelis to lose hope for peace. You Palestinians still don't have your "Peace Now."

[Usamah] It's true that every violent episode doesn't advance peace but sets it back. Things really look bad now, but we need to be optimistic. I truly want there to be peace. It's the same for us as it is for you. We both have extremists, but there are also moderates and people in the middle.

Even though we don't have a movement like "Peace Now," at least a million Palestinians watch Israeli television every evening at 0730 in Arabic, listen to the news and say, "If only there were peace." So although there are extremists, people on both sides who choose terror, most people want peace.

Hamas is also a part of the Palestinian people. In the end, they will be with the rest of the people. The entire nation wants peace, so when there is one movement that doesn't want peace, it eventually will go along with the majority. When I became active, there wasn't yet any hope for peace. It's different today. If I were a Jew, I would be a member of "Peace Now." But I am a Palestinian.

Rabin's Military, Intelligence Consultants

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12 Feb 93 p 7*

[Article by 'Orli 'Azula'i Katz]

[Text] At the party conference a few days ago—with Hagai Merom's charges on the agenda on one hand, and discussion of government corruption on the other hand, Yitzhak Rabin said, "They say some people are organizing a putsch against me, but I do not believe it." Two days later, several Knesset members from his faction visited him in his office. They tried to convince him to expand the government in order to temper the influence of the outspoken dovish branch. Rabin related differently to the matter: "I am not a child," he said. "I know that there is organizing going on against me."

He was wrong in both cases. Nobody has said that there is a putsch against him, and if anything is being organized, it is certainly not a sweeping movement. It is definitely just on the fringes. Every minister knows that he owes his seat in the government to Yitzhak Rabin, who led the Labor Party to victory, and that, therefore, any action undermining Rabin could pull the Volvo and the driver out from under him, too. With these as the basic premises, no member of the government will go too far.

Strangely, most of the Labor ministers still believe that their survival and success depend to a great extent on how well the prime minister regards them or how close he lets them come, perhaps because most of them are serving in the government for the first time, and it is not so clear that their ministerial survival is assured.

"The ministers work very hard to get good marks from Rabin," party secretary Nissim Zvili said this week in a closed meeting in his office. "This is not a reign of terror. The ministers do not measure their success by how well their ministries function, but by the attitude of the prime minister's office toward them. That is the way it was in the days of Mapa'i long ago, and perhaps also during the Begin government. This situation leads to ministers turning their desire to demonstrate their support for the prime minister in everything into an ideology, even if they are forced to vote against what they believe. Yes, what is called behaving like 'rabbits.' For some of them, perhaps it is because of lack of self-confidence."

Yitzhak Rabin well understands the importance his ministers give to their placement in the hierarchy of his court. He also knows well how to make the best use of this. A minister who is good gets a treat. He invited 'Ora Namir to his grandson's Bar Mitzvah, and also gave her the Labor and Welfare portfolio; he let Israel Keysar run the cabinet meeting once for seven minutes (when Peres was not there) and Moshe Shahal, who proved he could behave himself, was allowed to take care of judicial matters that naturally would have been in David Liba'i's hands.

Basically, Yitzhak Rabin has shown his ministers that he does not need them as advisers who are really involved in what goes on in the government. The prime minister, who is also minister of defense, does not hide his loathing for the party or anything else that smacks of politics.

Rabin has found a substitute after his own heart. The defense establishment is his advice network: the general

staff, the intelligence branch, the security services. Chief of Staff Ehud Barak is like a member of the family in Rabin's office, and the defense brass is actually the prime minister's closest staff. With them, he holds regular consultations, and from them, he receives the information he needs to make decisions. They are not suspect in his eyes the way politicians are. They are professionals, and that is enough for him. In political circles, they claim that the chief of staff is the one who got him involved in the mess of the expulsions, but Rabin, in his customary way, calls this "a lot of stuff and nonsense."

Yitzhak Rabin does not have a particularly high opinion of his ministers. He does not rely on any of them, and does not even have the patience to listen to most of them. At first, two ministers were close to him: Fu'ad Ben-'Eli'ezer and Hayim Ramon. Rabin admired Fu'ad greatly because of his ability to command within the party. Rabin does not understand such things, and Fu'ad was the connecting link between him and what was happening in the field. Rabin still basically trusts Fu'ad, but something in their relationship has gone wrong along the way. In the past, Fu'ad would have a one-to-one session with Rabin at least once every day. Now this happens once a week, if that often.

Those around Fu'ad claim that interested parties ruined the network of relations between the two, specifically, that a certain person close to Rabin spoke out and said very serious things against Fu'ad, and drove a wedge between them. We may assume that Rabin was also not crazy about Fu'ad's attack on the decision to return the expellees. In Rabin's office, they did not like the independence that the minister of housing was beginning to show in the field, and especially not the things he was saying in the realms of security and politics. From being the favorite of the prime minister's office, he turned into a marked man.

Something similar happened in the relations between Rabin and Ramon. Ramon did give in to Rabin and vote together with him on the Lebanon action, against his opinion and conscience, but lately there has been a coldness between them, because of the trouble Shulamit 'Aloni has made in the government. Rabin feels that Ramon is the one responsible for her receiving the education portfolio. During the coalition negotiations Ramon was, the reader may remember, the go-between for Meretz and Labor.

Beyge Shohat was also a friend and confidante at first. His relationship with Rabin began to deteriorate after he took over the finance ministry. Rabin very much wanted 'Amiram Sivan in the job of finance minister, and began to hate Beyge, who had forced him to give him the position. Rabin boiled over because of the poor functioning of the finance ministry in the early days. He swooped down on the "weaklings," but he really meant Beyge.

All those involved can deny the attempt to drive out Beyge until the sun comes up, but it is a fact. Behind the finance minister's back, people were scouting for ways to bring about his resignation and get 'Amiram Sivan appointed in his place. This was during the time when Rabin was considering adding another Labor minister to the government along with Yosi Sarid.

While this plot was in the air, Rabin's close aides were also trying to find out whether Fu'ad might be willing to give up the housing and construction portfolio for this round. In

Rabin's office, they were worried about the great power Fu'ad was amassing in the Housing and Construction Ministry. Fu'ad heard about the plot and thwarted it.

At the same time, the "Beyge Camp" was created: 12 Knesset members organized to protect Beyge's political power in the face of plots against him. The 'Aloni and Dera'i incidents and the coalition crises made the Labor Party more moderate about everything connected to juggling seats. In the meantime, Rabin learned to work with Beyge, and even the director of his ministry, who was in constant conflict with Beyge, has had a meeting of reconciliation with him.

Almost every minister carries with him branded in his memory something they call in government slang "a tough Rabinistic event." Very much against his will, Rabin appointed Shim'on Peres his foreign minister. Given the complicated relations between the two, it was expected that every week would bring a new crisis between them. But the ministers did not take into account one fact: It is true that Yitzhak Rabin is not crazy about Shim'on Peres, but he does respect his diplomatic experience and grasp of security questions.

Paradoxically, Shim'on Peres has become Rabin's number-one adviser on truly sensitive issues. Nobody succeeds in getting inside during their working meetings. They make most of their decisions alone. This fact does not keep Rabin sometimes showing Peres the limits in a public outburst, seemingly spontaneous, but really well prepared.

Rabin told the U.S. secretary of state: "Final decisions about foreign affairs and the peace process are made only with me." The hint being sent to Peres's office was as clear as an elephant's hide is thick. On another occasion he said, "It is the Americans who are important." That is to say, Peres could continue to be involved with Europe, which he does consider important, but the future lies with the Americans.

He can praise Peres, as he did in the last meeting of his office: "You see, Shim'on voted against on the question of the Red Cross caravans, but later, on the news, he defended the government's decision," Rabin said. He can decide, together with Peres, that in order to keep the party calm, he would not have a debate on the Merom/Shabas case. But when Peres wants to add his representative to the delegation going to Washington, he sees red. Only after a verbal battle between the prime minister's and foreign minister's offices was 'Eytan Bentzur added this week to the delegation of Rabin men going to Washington.

Yitzhak Rabin has carried his "American dream" with him since childhood. His father, Nehemya, used to put him on his knee and tell him about his boyhood in Chicago, where he lived as a refugee and made a living selling newspapers. After a while, the father became a tailor, joined the garment workers union, and started college. Yitzhak Rabin would say later that life in the United States opened a window for his father to the

intellectual life, to an appreciation of democracy and respect for the worth of the individual.

Before he went to "Kaduri," Yitzhak Rabin dreamed of studying water engineering in New York. The War of Independence destroyed that dream. But Yitzhak Rabin did get to America, as the ambassador of Israel. His opponents complain that he is still [enslaved] to a picture of the United States as it was in the 1970s, and has trouble understanding the new Clinton administration. But Rabin continues to carry on the American dialogue alone. All the ministers, all of them, are outside that realm.

Last week, Hagai Merom opened wide the questions of fear in the Rabin government and Shabas's destructive role in the prime minister's office. "Shabas is a burden on Rabin, and does him great harm," Nissim Zvili said this week in an internal party conference. "It is not good for a prime minister to have Machiavellian grandstanders around him. Certain ministers receive Shabas's words as though Rabin has said them. This creates a bad image and blurs the working relationship. In addition, Shabas has been flooding Rabin's office with appointments of square' army officers, while Rabin really needs more politicians and intellectuals around him."

Shabas's aides respond: "It is not by chance that these things are being said. They are part of a campaign that Nissim and his aides are waging against Rabin and his aides in both the government and the party."

Hagai Merom accepted Rabin's request to bring a halt to the "danse macabre" in the party. Meanwhile, he is collecting and filing material. The storm has more or less calmed down, and Rabin's threat to set up a political kitchen cabinet has also melted away. Nissim Zvili has announced that he will resist bodily any attempt to set up such a kitchen cabinet, and warned that doing such a thing would be party suicide. But this is not the reason that Rabin has disassociated himself from the idea of setting up a kitchen cabinet.

After his intentions were made public, he let it be known that he understands that with so many cooks elbowing in to get their spoons into the broth, he will not be able to create a compact advisory body without hysterical crises and offense taking. Rabin also fears that around any kitchen cabinet he may set up, Peres will erect an entire dining room in response. The recipe for Golda's kitchen cabinet has been erased, but Rabin's message following the most recent corruption is sharp and clear: "From here on, I will be more involved in the party." He will spend more hours at the party center, and encourage his awakening camp from afar. Just this week, the camp held a rally with 150 members in attendance, promising to repeat the event at least once a week.

And as it seems now, only if Rabin decides to move ahead quickly with the peace process will he succeed in bringing about peace within his own government, although the noise that has come out of it until now has perhaps been strident, but certainly not deafening.

Kur Peak Profits in 1992 Reported

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1 Apr 93 p 55*

[Article by Nawit Zomer]

[Text] Kur yesterday reported record profits of 375 million NIS [new Israeli shekels] for 1992 (an increase of 45.3 percent). By contrast, Kur had a net profit of 258 million NIS in 1991.

The company's success this year in issuing shares on the New York and Tel Aviv stock exchanges showed up on the balance sheet and contributed to a net profit totaling some 280 million NIS. This was partly offset by write-offs of 80 million NIS for Soltam, debts, losses, and indemnities.

Kur's management noted with satisfaction that it had repaid most of its debts during the year to Israeli banks—just 15 months after arrangement of its debt schedule.

The company's shareholder equity grew to 897 million NIS compared to 481 million NIS in 1991. These results lost some of their luster in the final quarter of 1992, which ended with a net profit of only 4 million NIS compared to 58 million NIS in the third quarter. At the same time, operating profits in the fourth quarter rose to 144 million NIS.

Kur's management attributed the final quarter drop in net profits to a devaluation of 10 percent in real terms carried out during that quarter, which led to a rise in financing costs, and to the fact that it derived most of its revenues from sales made during the first two quarters of the year.

The company's other figures also indicate an improvement. Sales rose by 7 percent, amounting to 6.1 billion NIS. Management expects that sales will increase in 1993 by another 10 percent and exports by 20 percent.

Operating profit went up in 1992 by 61.2 percent. Returns on equity reached 78 percent (although it must be remembered that the company is poor in capital now due to its hard years). Gross profits also rose to 1.3 billion NIS.

The number of employees increased this year to 16,722 from 16,133 last year. Management foresees adding another 2,500 employees by 1995.

In light of management's fear that the review board will not approve its request to offer senior officers options totaling 5.4 million NIS, the board of directors decided yesterday to withdraw its request. The directors will establish a committee to recommend ways for compensating 13 top executives and for substitute benefits for the chairman of the board and the CEO.

Loss of Arab Labor, Economic Costs Viewed

93AA0026D Tel Aviv YEDI'OT AHARONOT (Weekend Supplement) in Hebrew 2 Apr 93 pp 12-13, 23

[Article by Sever Plotzquer]

[Text] In preparation for the resumption of the peace talks in Washington, Treasury Minister Abraham Shohat has appointed a team of experts to formulate Israel's future economic arrangements with Palestinian autonomy. Heading the team is economics professor Tzvi Zusman, who will devise, or at least begin to devise, a solution to the problem of workers from the territories.

When he accepted his appointment, Professor Zusman never imagined that he would have to deal with a situation in which the territories, under conditions of military quarantine, have suddenly been severed from Israel. Over the past year, an entire industry of scholars has bloomed, looking into the future economic relations between Israel and Palestinian autonomy under peacetime conditions. All the experts have come to one conclusion: better both for Israel and the Palestinians to create completely free and open economic relations between them.

But now just the opposite has occurred. The prevailing conditions are those of war, not peace. From an economic point of view, are isolation and separation of the Palestinians in the territories from the Israeli economy at all possible?

Prof. Zusman states that suddenly cutting off the territories from Israel will cause minor and temporary employment problems for the Israeli economy, a steep decline in the standard of living for the Palestinian population in Judea and Samaria, and total economic disruption in Gaza. Sealing Gaza means condemning the inhabitants to hunger.

A senior military official states that if Israel seals the strip for an extended period without any economic livelihood for its inhabitants, it will become a Palestinian stronghold like the isolated Muslim towns in Bosnia. Which of us is crazy enough to want that?

The question of separating Israel from the territories is not, therefore, an Israeli economic problem. It is, rather, a Palestinian economic problem and an Israeli political problem.

Economists—all of them, regardless of differences in political outlook—seem surprised and even irritated when asked about the cost to the Israeli economy of the closure of the territories for a period of weeks. "Insignificant," they say. No harm; at most, a twitch.

We already have the experience of the intifadah, which began in 1987, and of the closure imposed on the territories during the Gulf war for six weeks. This experience teaches that the cost to the Israeli economy of a partial or even total severance from the territories is extremely light. At most, a drop of one or 2 percentage points in Israel's national product. The Palestinian economy lost approximately 65 percent of its national output during the first three years of the intifadah.

Prof. Ezra Sadan acted as chairman of the team of economic advisers appointed by the former minister of defense, Moshe Arens, to study the economic relations between Israel and the territories. He did not hesitate to proclaim that: "For the Israeli economy, economic relations between Israel and the territories have no importance."

One hundred fifteen thousand workers from the territories were recently employed in Israel, about 65,000 in construction, 12,000 in agriculture and the rest throughout all other sectors of the economy. All told, workers from the territories constituted about 6.5 percent of those employed in Israel but, because of their low work productivity, their contribution to Israeli's output is estimated at no more

than 2 percent to 3 percent, mostly in construction. Israel, therefore, can get along without workers from the territories, and will quickly adjust.

"That is not to say," explains one government economist, "that we won't hear distress calls from contractors and other employers complaining about the terrible damage caused them by closure of the territories. These cries will be justified only in rare and specific instances, such as in the case of a farmer whose crop is at its peak or a contractor stuck with completed apartments but without paint on the doors. Other employers are making a lot of noise only because they want to coerce the Ministry of Labor into letting them bring in foreign workers. They're used to paying low wages."

Prof. Efraim Qliman, who joined Prof. Sadan to write a study of the economic relations between Israel and the territories, believes that even the minimal harm to the Israeli economy can be reduced by "mechanization and standardization in building and making certain changes in the basket of agricultural crops." Unemployed Israelis must be offered better wages, rapid job training and humane work conditions.

On the other hand, all economists agree that the Palestinians' ties to the Israeli economy are "crucial to their well being." From an economic standpoint, they serve us and live by our hand.

No government in Israel has ever reached an official decision to forbid independent economic development of the territories. Nonetheless, that has been the policy in practice: to make the Palestinian economy subservient to the short-term needs of the Israeli economy and to prevent coalescence of an independent economic existence.

This policy began in 1970 when Golda Meir's government rejected the views expressed by Pinhas Sapir, then treasury minister, and accepted those of Defense Minister Moshe Dayan. Sapir had proposed closing Israel to Arab workers from the territories but opening the territories themselves to local development investments. Dayan, by contrast, proposed allowing laborers from the territories to flow freely into Israel and clamping down on local development. Let them—the Arabs—remain dependent on us forever. Sapir warned of the hatred that would come with the workers; Dayan saw Israel and the territories integrating into an economic union, and nothing else interested him. At least not then.

You can call that a planting the seeds of disaster, you can call it a deliberate policy of neglect, as did Professors and Zusman, but the result is clear. Gaza has no economy, only a UN agency for aid and employment and morning-night rides to work in Israel.

By one definition, some 85 percent of the 700,000 inhabitants of the Gaza Strip are "refugees." Close to 60 percent of them live in camps under substandard conditions of decay, overcrowding and filth. A zero standard of living.

After 26 years of Israeli rule, the Gaza Strip is counted as a dirt-poor suburb of Israel. It is the boundary of hunger, which has no independent economic existence apart from serving the Israeli economy. Dr. Eli Sagi works for a company called "Economic Models," which recently completed a major study of the Palestinian economy and its

relation to Israel. The standard of living in Gaza, asserts Dr. Sagi, is half that of the poor living in Israel. The total of locally manufactured products in the strip is equivalent to 1 percent of Israel's national product. Just 1 percent.

For the Palestinians in Judea and Samaria, the picture is slightly different. Refugees make up only 30 percent of the population, they are far less dependent on income from work in Israel and the years of the intifadah have laid the foundation, shaky though it may be, for an independent Palestinian economy. But there too, a sudden and prolonged separation from the hub of the Israeli economy will lead to economic strangulation.

Does Israel need, or is it able, to change the situation? After all, the closure will not last forever. Do the appropriate government ministries have in their files plans for providing employment to Palestinians in the territories—in the territories themselves?

Plans of this sort have been presented to the government once every 10 years with dizzying regularity. There was one in 1971, followed by another in 1982. Neither was implemented. Only preliminary drafts of the third plan were begun during the final days of Moshe Arens as Defense Minister.

In 1971, the government decided to lift some 30,000 Palestinian families in the Gaza Strip out of refugee status by building them modern housing through the "Build your own home" program. The program was breathtakingly successful, although a bit slow. Three hundred families were housed each year under this program until the experiment was ended in 1977. During the same years, incidentally, the population of the strip grew by 70,000.

In 1982 and 1983, the government—this time under Likud control—again considered resettlement of the refugees. Following a report from a committee of experts he had appointed, Minister Mordekhay Ben-Porat proposed moving the refugees in the strip's camps to new neighborhoods that would be built for them. Ben-Porat was speaking of a project on a grand scale: a quarter of a million refugees had to be included in the program. His plans, however, turned yellow with time. After his resignation from office, no serious government discussion of the subject was conducted.

The dependence of workers in Gaza, Shehem, and Tulkarem on Israeli employers deepened. With it, or beside it, deepened the hate.

Prof. Zusman describes the policy of preventing local development in Gaza, Judea, and Samaria as one of the great political blunders of the passing generation. Prof. Sadan concurs. It will be noted that Prof. Zusman has been active in Peace Now [movement] and Prof. Sadan in Tehiya.

And what now? Israel has a security interest in reducing and even wholly eliminating employment of workers from the territories, while the Arabs of the territories have their own interest in such a decrease. But how to achieve the desired goal? Through the free market and patience.

In dozens of recent studies—some published, some to be published and others that will remain secret—Israeli economists unanimously have recommended creation of "full,

free and open economic relations" between Israel and the Palestinian economy in Judea, Samaria and Gaza. They have no other prescription.

To that end, Israel must open itself to imports of all types of goods produced in the territories so that "the movement of goods to Israel will take the place of the movement of workers from the territories into Israel," states Prof. Sadan. Instead of construction workers, bring in finished construction materials. Instead of agricultural workers, bring in agricultural produce. Instead of industrial workers, bring in components and industrial spare parts. The economy of the territories will flourish on its own.

Until now, Israel has prevented free importation of goods from the territories. "Israeli policy boasts of protecting Israeli industry from a tiny rival amounting in total to 2 percent of all of Israel's competition," angrily write Sadan and Qliman.

All this will have to change. For its own good, Israel must eliminate special import permits from the territories and abolish protective quotas and customs duties. In the opinion of every expert interviewed for this article, the free flow of goods is the sole proper means for reducing employment of workers from the territories in Israel without turning the territories into an economic and security hell.

It is impossible to supply from today to tomorrow, or even from today to next year, productive local work for the Arabs of the territories who were employed in Israel. According to the calculations performed by Prof. Sadan's team, that would require creating two additional jobs for every three jobs already existing in the territories. That would cost at least \$5 billion. In the short term, that is not practicable.

What is involved is a long process that can be realized only through cooperation between Israelis, Palestinians and the international economic community.

Government agencies are also now considering two other proposed solutions to the "problem of workers from the territories." The first calls for paying generous unemployment benefits to workers who were employed in Israel, on condition that they won't cross the green line. The second proposes employing them in large scale public works in their own neighborhoods. Both are wrongheaded.

From a technical standpoint, says Prof. Zusman, only the first proposal can be quickly carried out. Israel, if it wants, can transfer to the refugees' relief and employment agencies some \$80 million each month, the wages lost by workers from the territories, so that the sum will be paid to them as local unemployed. That is how we can "buy peace and quiet."

But Prof. Zusman, like security officials in the territories, is convinced that such hush money would only pour oil on the territories' troubled waters. Young Palestinians will have nothing to do but will have money to spend. That is a destructive combination.

The second proposal, to employ the Palestinians in infrastructure work undertaken in the territories, is both highly worthwhile and feasible, but only on one condition—that peace and quiet have first been secured. Without peace, it

is difficult to think about building a multilane interchange at the entrance to Gaza or installing digital telephone exchanges in Shehem.

Public works, says Prof. Zusman, cannot be performed during times of terror and war. Who would watch over the foremen of these works? Who would protect the engineers, who would assure minimal local cooperation?

Dr. Eli Sagi states that the Palestinian economy is almost totally lacking in modern physical infrastructure. In the years to come, it is likely to face special investment burdens in housing, roadwork, water, electricity, communications and, of course, in industry, to rise out of its depression.

How much money are we talking about? According to Dr. Ya'akov Seheinim, director of "Economic Models," the total investment amounts to about \$11 billion. Clearly, the Palestinian economy will need outside help as well as assistance from consultants, instructors, bankers and contractors, and local employers and workers, all in great numbers. This is a distant vision of peace, of the final stage of a political settlement, not for tomorrow.

The historic mistake of 20 years of neglect cannot be fixed in a matter of days, not even in a year or two.

Inflation Rate of 15 Percent Reported

93AE0450D Tel Aviv YEDI'T AHARONOT (Financial Supplement) in Hebrew 16 Mar 93 p 1

[Article by Nehama Doaq]

[Text] Double-digit inflation is coming back: the consumer price index rose in February by 1.2 percent. The housing index rose by 3.4 percent, contributing 0.8 percent to the overall index. The annual rate of inflation, according to the indexes of the last three months, stands at 15 percent, which is a lot. Inflation like this does not allow low interest, and also makes it difficult to encourage growth.

The accelerated inflation over the last few months was due mainly to the shekel's devaluation, which struck apartment prices first of all. If we neutralize housing as a factor when we estimate inflation, we find prices rising at an annual rate of just 7 percent, as opposed to an annual rate of inflation (also not counting housing) of 13 percent for all of 1992.

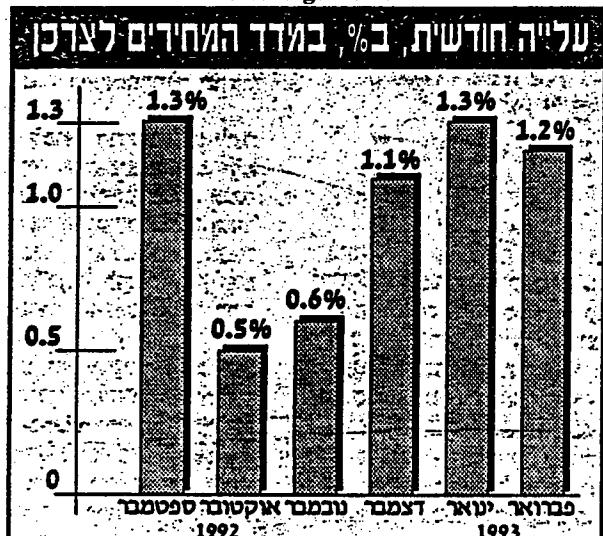
The Central Bureau of Statistics reported yesterday that if the value of the shekel continues to go down sharply, we can expect a renewed outbreak of inflation. Only if the pace of devaluation can be moderated, economists say, will inflation be single-digit again this year.

Basic expenses for a typical urban family now reach 4,770 shekels a month; or, not counting housing, 3,620 shekels.

A rise of 1.8 percent was recorded in the food price index in February. The fruit and vegetable price index went down by 1.4 percent. Clothing and shoe prices also went down in February—by 3 percent. This was the result of end-of-season sales, which will continue to influence and moderate the March index as well.

Central Bureau of Statistics economists reported yesterday, that in March we can expect considerable influence from a rise in the prices of goods under government price

Monthly Rise in the Consumer Price Index in Percentage Points



Months at bottom of chart read from left to right:
September, October, November, December, January,
February.

control. This means a hike in the prices of cigarettes, bread, milk, and public transportation. These increases alone will cause the index to rise half a point.

Tadiran's Profits Doubled in 1992

93AE0450A Tel Aviv YEDI'OT AHARONOT (Financial Supplement) in Hebrew 30 Mar 93 p 2

[Article by Hadar Horesh]

[Text] Tadiran's profits grew in 1992 by 96 percent compared to the 1991 profit, totaling \$59 million. This is the gist of the company's financial reports, published yesterday.

Tadiran's sales grew by 7.5 percent, totaling \$781 million. The net profit from sales was 7.5 percent, still low for a technology company, and considering the fact that, because of past losses, the company is still not paying full taxes. The company's management explains that the drop in revenues from defense sales has hurt the average profit per worker.

The trend toward swift improvement continued through the fourth quarter of 1992, with the company realizing a profit of \$11.8 million, compared to \$6.6 million in the same quarter of 1991.

Tadiran's Profits (net profit in millions of dollars)



KEY:

1. Turning-Point Plan Expenses

The growth in profits was due to execution of the company's efficiency plan (which Tadiran calls the "Turning-Point Plan"), and to considerable growth in orders from Bezek.

For the first time after long years of layoffs and cutbacks, Tadiran also increased the number of its employees, adding 270 workers in 1992. The company employs 6,979 workers today; the main growth in the workforce being in the civil communications sector. Even so, total sales per worker grew by 8.5 percent, reaching 115 thousand dollars. Simultaneously, the company continued to expand development spending, which totaled \$39 million overall.

Tadiran's debts fell from \$271 million in 1991 to \$142 million at the end of 1992. Of this sum, Tadiran still owes the banks \$68 million. The company's stability also markedly improved, when its independent capital went up from \$129 million to \$480 million. The improvement was achieved by capital recruitment through share sales in the United States, and from profits that accrued. Based on this

final balance, the company's board of directors has decided to award a 2 million-dollar dividend.

The export data on Tadiran's balance sheet have always also included sales to the United States for the Israeli military. According to company manager Guryon Meltzer, the scope of these cyclical deals, made within the framework of the U.S. aid agreements, is down, while foreign exports are up. Tadiran sales to the Israeli military went down by 20 percent; and a very slight reduction was recorded in sales to the U.S. Defense Department as well. On the other hand, sales to Bezek rose by 32 percent, making up 46 percent of the company's overall sales, compared to just 37 percent in 1991.

The communications sector contributed \$44 million to the company's profits in 1992—up 80 percent. Profits from electronics systems were down 32 percent; consumer products contributed \$15.8 million to profits—up 37 percent; and the software companies contributed \$7.1 million—up 26 percent.

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